

PREPARED BY: Jeanne Glenn  
 DATE PREPARED: April 04, 2012  
 PHONE: 471-0056

**LB 1053**

Revision: 01

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised based upon amendments adopted

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS	See below		See below	
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1053 as amended would establish a Nebraska Tourism Commission. The current staff, budget, property and functions of the Travel and Tourism Division of the Department of Economic Development (DED) would be transferred to the control of the Commission on July 1, 2012. The FY12-13 budget established for the Travel and Tourism Division is:

\$ 250,000	General Funds
\$3,979,777	Cash Funds
\$ 959,815	Federal Funds.
<u>\$5,189,592</u>	Total

Annual cash fund revenue (lodging tax, interest income and miscellaneous sources) ranges from \$3,700,000 to \$3,900,000 annually. There are 12 FTE full-time staff and 30 part-time seasonal staff positions within the division.

It is estimated that there would be increased costs to the Commission related to establishing and moving to a new office space, as the Tourism Division is currently located within the DED space in the State Office Building. There is no basis to disagree with the DAS estimate that moving costs may total \$6,000 and annual rent may cost \$19,500 per year. There would also be ongoing administrative expenses incurred by the Commission that are not currently built into the Travel and Tourism Division budget, because as a part of DED, accounting, human resources, payroll, legal and information technology services are provided to the division by other agency staff. There is no basis to disagree with the DED that \$150,000 in administrative services formerly provided by DED would need to be funded through the Commission budget.

Assuming that moving, office rent, and ongoing administrative costs would be paid by reallocating existing funding resources, it is estimated that the transfer of funding from DED to the Nebraska Tourism Commission would have no net impact to the state. In addition, it is estimated that existing DAS staffing and budgetary resources would be adequate to carry out administrative duties related to the transition of the Tourism Division out of DED and the establishment of a new agency.

### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	1/30/12	PHONE	471-2526
<b>COMMENTS</b>					
DEPARTMENT OF ADMINISTRATIVE SERVICES: Estimate of the cost for an agency to move to leased space appears to be reasonable if the agency makes the decision to move.					
ECONOMIC DEVELOPMENT: Concur with agency's estimate of impact. Costs to create new state agency could add more than the conservative estimate of \$150,000 and would likely require additional General Funds or use more of the tourism cash fund for administrative costs.					

# 2012 Legislative Bill Proposal Fiscal Note

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LEGISLATIVE FISCAL

**Bill #:** LB1053 with AM2589 and ER227

**State Agency:** Administrative Services – State Building Division / State Accounting

**Prepared by:** Dennis Summers / Wes Mohling

**Date Prepared:** 3/29/2012

**Phone:** 402-471-8351

**Approved by:**

402-471-0601

## Estimate of Fiscal Impact – State Agencies

	FY 2012-13		FY 2013-14	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
<b>Total Funds</b>	See Below	0	See Below	0

**Explanation of Estimate:** The above expenditures are based upon relocation of 12 staff from existing space to new commercial space in Lincoln, NE. The first year includes the moving cost estimated at \$500 per person or \$6,000 in total (\$500 X 12 FTE = \$6,000).

The ongoing costs of leased commercial space are based upon 125 gross square feet (GSF) of office space per person times 12 staff times at \$13.00 per GSF. (125 GSF X 12 FTE = 1,500 GSF X \$13.00/GSF = \$19,500 annual rent.) The cost per GSF is a rate that SBD typically pays for an all inclusive lease for office space in the Lincoln area.

The setup to establish a new agency and related funds, business units can be completed with existing State Accounting staff.

## Major Objects of Expenditure

**Personal Services:**

Position Title:	Number of Positions			2011-12	2012-13
	11-12	12-13		Expenditures	Expenditures
Benefits					
Operating				25,500	19,500
Travel					
Capital Outlay					
Aid					
Capital Improvements					
<b>TOTAL</b>	0	0		25,500	19,500

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LB<sup>(1)</sup> 1053 FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Economic Development

Prepared by: <sup>(3)</sup> Gary Hamer Date Prepared: <sup>(4)</sup> January 25, 2012 Phone: <sup>(5)</sup> 1-4388

LEGISLATIVE FISCAL

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(250,000)	(0)	(250,000)	(0)
CASH FUNDS	(3,958,971)	(4,169,820)	(3,958,971)	(4,322,280)
FEDERAL FUNDS	(959,815)	(959,815)	(959,815)	(959,815)
OTHER FUNDS	(0)	(0)	(0)	(0)
TOTAL FUNDS	(5,186,786)	(5,129,635)	(5,168,786)	(5,282,095)

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Enactment of LB 1053 would reduce Department of Economic Development expenditures each year by the amount of the tourism promotion (program 618) appropriation. Revenue from the lodging tax previously transferred by the Department of Revenue to the Department of Economic Development would be deposited to the State Visitors' Promotion Cash Fund administered by the Nebraska Tourism Commission. Federal funds previously received by the Department of Economic Development through the byways development program would be awarded to the Nebraska Tourism Commission.

Personnel paid from program 618 visitors' promotion fund appropriation provide program services directly assisting local and regional tourism efforts. Transfer of the tourism promotion appropriation and creation of a separate state agency would result in a conservative estimate of \$150,000 in increased costs to the new agency to provide support services currently being supplied by the Department of Economic Development operations administrative staff. Such services include accounting, human resources, payroll, legal, and information-technology support, none of which are covered under the \$4,097,888 operating expenditures shown below.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Administrative Assistant I	1	1	(32,970)	(32,970)
Tourism Guide	30	30	(249,976)	(249,976)
Economic Development Consultant	6	6	(247,887)	(247,887)
Research Administrator	1	1	(41,590)	(41,590)
Program Analyst	1	1	(14,054)	(14,054)
Research Analyst	1	1	(11,407)	(11,407)
Tourism Director	1	1	(59,482)	(59,482)
Public Information Officer	1	1	(41,375)	(41,375)
Overtime Payments			(9,000)	(9,000)
Benefits.....			(203,553)	(203,553)
Operating.....			(4,097,888)	(4,097,888)
Travel.....			(57,004)	(57,004)
Capital outlay.....			(0)	(0)
Aid.....			(102,600)	(102,600)
Capital improvements.....			(0)	(0)
TOTAL.....			(5,168,786)	(5,168,786)

